

Department of the Interior
Minerals Management Service
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VIA EMAL @ rules.comments@mms.gov

Department of the Interior
Minerals Management Service
Mail Stop 4024
381 Elden Street
Herndon, Virginia 20170-4817
Attention: Rules Processing Team (RPT)

RE: Comments on Revision of Requirements Governing
Surety Bonds for Outer Continental Shelf Leases
30 CFR Part 256

Ladies and Gentlemen:

Hall-Houston Oil Company ("HHOC") has been active in the exploration and development of Outer Continental Shelf oil and gas properties since 1986. We currently hold both record title and operating rights interests in a number of federal Outer Continental Shelf leases. HHOC is currently not included on the list of waived companies which means it must comply with the furnishing of supplemental surety bonds for various operations and lease obligations on an ongoing basis.

HHOC has reviewed the Proposed Rule covering 30 CFR Part 256 published in the Federal Register on January 8, 2001, beginning on page 1277. Although we believe the need for clarification of the original 30 CFR Part 256.58 regulation is necessary, HHOC would request that the Proposed Rule be modified to clarify how the termination and cancellation of bonds will affect the surety and lessee and what responsibilities remain after a lease expires.

To this end, HHOC endorses and hereby adopts the clarifications requested by Roe C. Die on behalf of RLI Insurance Company and Planet Indemnity Company (the sureties that provide bonds to the MMS on behalf of HHOC) in his comment letter dated March 6, 2001.

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HHOC hopes that these comments will help clarify some of its concerns as a lessee and a non-exempt company that has been required to furnish supplemental bonds. Thank you for your consideration of these comments and if I can be of any assistance, please do not hesitate to contact me.

Very truly yours,

HALL-HOUSTON OIL COMPANY

Leslie D. Moore, CPL
Landman